App. F. IX-4

1940

Previous References 193 . ( )

Legs

File No. 2-40

Serial Nos. 64, 65

Later References.

(21)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two only

Part B for March 41.

SUBJECT.

Notification under Defence of India Rules.
Sterling Debt

WD 0578—GPB—22,500—12-9-39

B.B. Shankar
4.4.41

Serial No.

From

The Secretary to the Hon'ble the Resident

R.T. 48-41/GoA dated 20th February 1941

re issue of certain notifications under Defence of India Rules, as applied to Mysore, on Repatriation of Sterling Debts

Orders have been issued in British India under rule 94(3) of the Defence of India Rules, transferring to the Government of India holdings in British India of Indian Sterling loans or Rupee Counterparts at prices specified in the notification. It is requested that similar action may be taken in Mysore also.

Ordinance III of 1941 and subsidiary orders by the Reserve Bank of India setting out the procedure to be followed are also enclosed.

Regarding the ordinance, no similar action seems called for here. Section 33 of the Reserve Bank of India Act, 1934 relating to the manner in which assets of the Issue Department can be held. Proviso to sub-section (3) limits the amount held in Government of India Rupee Securities to one-fourth of the total amount of assets or 50 crores of rupees, whichever is greater, subject to increase by 10 crores if Government approve. This proviso is now removed by the Ordinance.

The subsidiary orders of the Reserve Bank will be republished, if approved.

A Notification under the Defence of India Rules, as applied to Mysore, on the lines of the Notification issued in British India is put up. The transfer will be, as in British India, to the Central Government.

A copy of the Notification may perhaps be sent to

NOTE—Contn. Sheet.

4880

Notification under rule 94 Defence of India Rules – transfer of Sterling loans 4880/P

File No. of 194 General and Revenue Secretariat

Serial No.

The Comptroller to Government after issue.

Submitted for orders with drafts.

Govt 25-2-41

May be approved.
MKW 26/2

Law Secy)
I Member)

Hm 2 26/2/41
MKW 26/2

1749 26/2

FEB 27 1941
8641

May be shown to Fin Secy
What is the value of the State's sterling securities not yet exchanged for rupee securities

MKW 27/2/41

Fin Secy
ME)

Hm 2 27/2
MKW 27/2

4472
3-3-41

Seem. The only sterling securities held by the Mysore State (general investment account) are:-

1. Bombay Improvement Trust 4% Bonds 1909 repayable in 1969. £ 16,000.
2. Bombay Improvement Trust 4% Bonds 1910 repayable in 1970. £ 15,300

Total £31,300

3.3.41
JLJ 3/3

I Member)

Hm 2 4/3/41

The draft No 2 may issue

MKW 4/3/41.

TYPING SECTION 8 MAR 1941 GEN. & REV. SECTT.

OFFICE OF THE MAR 4 1941
8770

Serial No.

Issued Memo P 4553. Dep: 2-40-64 d 7-3-41 to Complete

— 4554 — 2-40-65. 7.3.41 —

Issued Memo P 4563 d 7.3.41 to complete bfrk.

The Residency wants a copy of order issued by us to be sent to them for information.

A draft is put up.

For approval.
8/3

Chief Secy.

appd.
9.3.41.
8/3

Issued Pol 1593 dated 10.3.41 to the Residency

TYPING SECTION
10 MAR. 1941
GEN. & REV. SECTT.

8. MAR. 1941
GOVT OF MYSORE.

NOTE—Contn. Sheet.

The reply to this communication should be addressed to the Secretary to the Resident, Mysore, Bangalore, by designation and not by name.

4880 p 1/20

No. R.F.48-41
G & A

Col 2194

GEN. & REV. SECT. 3029 FINANCIAL

FROM

THE SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

To

The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.

Dated Bangalore, the 20 Feby. *1941*.

STERLING DEBTS.

SIR,

I am directed to say that with the assistance and co-operation of His Majesty's Government, the Government of India have taken action to repatriate as far as possible the whole of their terminable sterling debt. His Majesty's Treasury have issued orders acquiring all the six terminable Indian Sterling loans held by residents in the United Kingdom. The Government of India have also issued similar notification under rule 94(3) of the Defence of India Rules transferring to themselves holdings of residents in British India at prices in United Kingdom Order converted at 1sh. 6d. the rupee or on issue of rupee counterparts at Rs.100/- for each £7/10/-.

2. If the Government of Mysore see no objection, I am to request that similar action may kindly be taken under the rules in force in M y s o r e State in regard to holdings of the subjects of the State. A copy of the notification issued by the Government of India together with a copy of Ordinance No.III of 1941 and the subsidiary orders by the Reserve Bank setting out the detailed procedure is enclosed.

3. I am to request that a copy of the orders which may be issued by the Government of Mysore may kindly be sent to this

Residency

Residency for information.

I have the honour to be,
Sir,
Your most obedient servant,

SECRETARY TO THE RESIDENT.

G O V E R N M E N T O F I N D I A

LEGISLATIVE DEPARTMENT.

New Delhi, the 8th February 1941.

ORDINANCE NO.III OF 1941.

An

O R D I N A N C E

further to amend the Reserve Bank of India Act, 1934.

WHEREAS an emergency has arisen which makes it necessary further to amend the Reserve Bank of India Act, 1934; II of 1934.

NOW, therefore, in exercise of the powers conferred by section 72 of the Government of India Act as set out in the Ninth Schedule to the Government of India Act, 1935, the Governor General is pleased to make and promulgate the following Ordinance: - 26 Geo.5,c.2.

1. (1) This Ordinance may be called the Reserve Bank of India (Amendment) Ordinance, 1941. Short title and commencement.

(2) It shall come into force at once.

2. The proviso to sub-section (3) of section 33 of the Reserve Bank of India Act, 1934, shall be omitted. II of 1934. Amendment of sec.33 Act II of 1934.

LINLITHGOW,
Viceroy and Governor General.

New Delhi;
The 8th February, 1941.

VN

F I N A N C E D E P A R T M E N T

NOTIFICATION.

New Delhi, the 8th February 1941.

No.D.926-B/41. - Whereas the Central Government is of opinion that it is expedient for the purpose of strengthening its financial position to transfer to itself certain foreign securities:

Now therefore, in exercise of the powers conferred by sub-rule (3) of rule 94 of the Defence of India Rules the Central Government is pleased to make the following Order, namely: -

All securities of the descriptions specified in the first column of the Schedule hereto annexed, other than those to which the provisions of the said rule do not apply by virtue of sub-rule (6) thereof, are hereby transferred to the Central Government at the prices specified in the corresponding entries in the second column of the said Schedule.

S C H E D U L E.

Description and acquisition price of securities.

Description of securities (Column 1).	Price per security of £100 nominal. (Column 2) Rs.	As.
5 per cent. India Stock, 1942-47	1,397	11
4½ per cent. India Stock, 1950-55.	1,467	14
4½ per cent. India Stock, 1958-68.	1,504	11
4 per cent. India Stock, 1948-53.	1,421	1
3½ per cent. India Stock, 1954-59	1,370	14
3 per cent. India Stock, 1949-52.	1,330	12

C. E. JONES,

Secretary to the Government of India

/N

The following instructions are issued by the Reserve Bank of India under Sub-rule 4(b) of Rule 94 of the Defence of India Rules for the guidance of the owners of the securities transferred to the Central Government under their Notification No.D.926-B/41, dated the 8th February 1941, hereinafter referred to as the Vesting Order.

Please type from here to end

The term "owner" as defined in Rule 94(1)(ii) of the Defence of India Rules includes, in relation to any security, any person who has the power to sell or transfer a security, or who has the custody thereof, or who receives, whether on his own behalf or on behalf of any other person, dividends or interest thereon, or who has any interest therein.

2. Owners of the securities affected by the Vesting Order are required to make, or to arrange to make, delivery of the securities forthwith in the following manner. Holders are required to declare that the transactions do not constitute trading with the enemy, that no part of the proceeds will be made available to the enemy and that since the outbreak of war the coupons and the relative bonds or stock certificates have not been the property of an enemy.

(A) SECURITIES HELD IN INDIA. -

(i) Stock Certificates to bearer (bearer bonds)

If held in India the certificate and all coupons belonging thereto must be delivered to the Public Debt Office of the Reserve Bank of India in Bombay or Calcutta either by registered post or personally or through a Bank or a Broker. Coupons which fell due for payment before the date of the Vesting Order must be detached.

(ii) Inscribed Stock.

A transfer in blank executed by the person in whose name the stock is inscribed should be lodged with the Public Debt Office of the Reserve Bank of India in Bombay or Calcutta.

(iii) Registered Stock.

The register certificate together with a transfer in blank duly executed by the registered holder should be lodged with the Public Debt Office of the Reserve Bank of India in Bombay or Calcutta.

(B) Securities held in the United Kingdom. -

If the securities are held in the United Kingdom the holders must declare to the Public Debt Office the name of the loan, the amount of the stock,

the

the form in which it is held and the full name and business address of the United Kingdom agents in whose custody it is held. They must instruct their agents by DLT cable to make delivery of the stock and all the necessary documents to the Bank of England in accordance with such procedure as the Bank of England may prescribe in this behalf. The cost of the DLT cable will be borne by the Reserve Bank of India. The cable must be shown before issue to the Public Debt Office of the Reserve Bank, which will give a serial number to the holding under which the Agent should be instructed to surrender it to the Bank of England.

3. The owners of the securities to which the Central Government order mentioned above relates have the option to surrender the securities against rupee counterparts of the vested sterling loans or against cash payment in rupees, and the mode in which it is intended to exercise the option must be declared at the time of surrendering the securities or the relative documents or declaration.

4. The transfer forms and register certificates delivered in accordance with para 2A (ii) and (iii) above will be sent by air-mail to the Bank of England for verification and no payment will be made until the Bank of England telegraphs that they are complete and in order. Provided the delivery of the requisite documents is found on scrutiny to be complete and in order, payment in respect of documents handed in on or before the 10th March 1941 will be made on the 24th March 1941, and payment in respect of the documents handed in after the 10th March 1941 will be made two weeks after delivery. Payment will be made to the owner or to the Bank or approved Broker duly authorised by him in this behalf. Allowance has been made in the price fixed for each security in the Vesting Order for the period that must elapse between the date of the Vesting Order and the first due date or payment. This price represents capital payment and is not subject to income-tax. All transactions will be put through at the standard rate of 1/6d. per rupee. Rupee counterpart loans will be issued in multiples of Rs.100/-, being the rupee equivalent of £7-10-0 face value of the surrendered loans, any

excess

excess over this multiple being adjusted in cash.

5. Counter-part loans will earn interest from the last interest payment date of the surrendered loans and no adjustment on account or interest will be necessary in the case of securities surrendered against rupee counterparts. Interest earned or counterpart loans will be subject to Indian income-tax in the usual manner.

6. Brokerage will be paid by the Reserve Bank of India to Banks and Brokers in India who lodge documents with the Reserve Bank of India, irrespective of where the securities are deposited, at the rate of 1/8% of the nominal value of the securities delivered in good order converted at 1s pence to the rupee. No commission will be charged by the Reserve Bank on the issue of rupee counterpart loans or the cash payment in rupees in exchange for the securities acquired.

7. Any further information that holders of the vested securities may require may be obtained from the Bombay or Calcutta Office of the Reserve Bank.

----:0:----

VN

4553. Leg. 2.4064
7.3.41

Notification.

WHEREAS the Central Government in British India being of opinion that it is expedient to transfer to itself certain foreign securities has issued a notified order for that purpose:

AND WHEREAS the Government of His Highness the Maharaja are of opinion that it is expedient to take similar action in Mysore:-

NOW THEREFORE, in exercise of the powers conferred by sub-rule (3) of rule 94 of the Defence of India Rules, as applied to Mysore, they are pleased to make the following order, namely:-

All securities of the descriptions specified in the first column of the -- Schedule hereto annexed, other than those to which the provisions of the said rule do not apply by virtue of sub-rule (6) thereof, are hereby transferred to the Central Government of British India at the prices specified in the corresponding entries in the second column of the said schedule.

Schedule.

Description and acquisition prices of securities.

Description of securities (Column 1)	Price per security of £100 nominal. (Column 2) Rs.	As.
5 per cent. India Stock, 1942-47.	1,397	- 11
4½ per cent. India Stock, 1950-55.	1,467	- 14
4½ per cent. India Stock, 1958-68.	1,504	- 11
4 per cent. India Stock, 1948-53.	1,421	-- 1

3½ per cent. India Stock, 1954-59	1,370 - 14
3 per cent. India Stock, 1949-52.	1,330 - 12

By Order,

Hm 2 26/2

Secy. to Govt.
Law Department.

To

The Compiler, Mysore Gazette, for publication.

Memo No.

Copy of the above is forwarded with compliments to the Comptroller to Governmen

ByOrder,

Hm 2 26/2/41

Secretary to Govt.
Law Department.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. P455 Laws 2-40-64 General and Revenue Secretariat,

Dated Bangalore, 20th March 1941.

NOTIFICATION

WHEREAS the Central Government in British India being of opinion that it is expedient to transfer to itself certain foreign securities has issued a notified order for that purpose:

AND WHEREAS the Government of His Highness the Maharaja are of opinion that it is expedient to take similar action in Mysore:-

NOW THEREFORE, in exercise of the powers conferred by Sub-rule(6) of rule 94 of the Defence of India Rules as applied to Mysore, they are pleased to make the following order, namely:-

All securities of the descriptions specified in the first column of the Schedule hereto annexed, other than those to which the provisions of the said rule do not apply by virtue of sub-rule (6) thereof, are hereby transferred to the Central Government in British India at the prices specified in the corresponding entries in the second column of the said schedule.

SCHEDULE.

Description and acquisition prices of securities.

Description of securities. (Column 1)	Price per security of £100 nominal (Column 2). Rs.	As.
5 per cent India Stock, 1942-47	1,397	11
4½ per cent India Stock 1950-55	1,467	14
4½ per cent India Stock 1958-68	1,504	11
4 per cent India Stock, 1948-53	1,421	1
3½ per cent India Stock, 1954-59	1,370	14
3 per cent India Stock, 1949-52	1,330	12

By Order,

(Sd) H. V. Narayana Rao

Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication.

Aga/12

pussu. 40. 2. 40-65
7.3.41

Notification.

The following instructions issued by the Reserve Bank of India under sub-rule 4(b) of Rule 94 of the Defence of India Rules for the guidance of the owners of securities transferred to the Central Government under a Notification hereinafter referred to as the Vesting Order are hereby republished for general information with reference to Notification No.P. /Legis. 2-40- dated 1941.

By Order,

T.)
Secy. to Govt.
Law Department.

To

The Compiler, Mysore Gazette, for publication.

(Please type matter marked at Flag T.)

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. P4554 / Legis 2-40-65

General and Revenue Secretariat,

Dated Bangalore, 5th March 1941.

NOTIFICATION.

The following instructions issued by the Reserve Bank of India under sub-rule 4(b) of Rule 94 of the Defence of India Rules for the guidance of the owners of securities transferred to the Central Government under a Notification herein-after -- referred to as the Vesting Order are hereby republished for general information with reference to Notification No.P. 4553/Legis.2-40-64 dated 7th March 1941.

By Order,

M. R. Narasimhan
Secretary to Government,
Law Department.

To

The Compiler, Mysore Gazette, for publication.

BSN/11.

The term "owner" as defined in Rule 94(1) (ii) of the Defence of India Rules includes, in relation to any security, any person who has the power to sell or transfer a security, or who has the custody thereof, or who receives, whether on his own behalf or on behalf of any other person, dividends or interest thereon, or who has any interest therein.

2. Owners of the securities affected by the Vesting Order are required to make, or to arrange to make, delivery of the -- securities forthwith in the following manner. Holders are required to declare that the transactions do not constitute trading with the enemy, that no part of the proceeds will be made available to the enemy and that since the outbreak of war the coupons and the relative bonds or stock certificates have not been the property of an enemy.

(A) SECURITIES HELD IN INDIA.-

(i) Stock Certificates to bearer (bearer bonds)

If held in India the certificates and all coupons belonging thereto must be delivered to the Public Debt Office of the Reserve Bank of India in Bombay or Calcutta either by registered post or personally or through a Bank or a Broker. Coupons which fell due for payment before the date of the Vesting Order must be detached

(ii) Inscribed Stock.

A transfer in blank executed by the person in whose name the stock is inscribed should be lodged with the Public Debt Office of the Reserve Bank of India in Bombay or Calcutta.

(iii) Registered Stock.

The register certificate together with a transfe in blank duly executed by the registered holder should be lodged with the Public Debt Office of the Reserve Bank of India in Bombay or Calcutta.

(B) Securities held in the United Kingdom.-

If the securities are held in the United Kingdom the holders must declare to the Public Debt Office the name of the loan, the amount of the stock, the form in which it is held and the full name and business address of the United Kingdom agents in whose custody it is held. They must instruct their agents by DLT cable to make delivery of the stock and all the necessary documents to the Bank of England in accordance with such procedure as the Bank of England may prescribe in this

behalf. The cost of the DLT cable will be borne by the Reserve Bank of India. The cable must be shown before issue to the Public Debt Office of the Reserve Bank, which will give a several number to the holding under which the Agent should be instructed to surrender it to the Bank of England.

3. The owners of the securities to which the Central Government order mentioned above relates have the option to surrender the securities against rupee counterparts of the vested sterling loans or against cash payment in rupees, and the mode in which it is intended to exercise the option must be declared at the time of surrendering the securities or the relative documents or declaration.

4.The transfer forms and register certificates delivered in accordance with para 2A (ii) and (iii) above will be sent by air-mail to the Bank of England for verification and no payment will be made until the Bank of England telegraphs that they are complete and in order. Provided the delivery of the requisite documents is found on scrutiny to be complete and in order, payment in respect of documents handed in on or before the 10th March 1941 will be made on the 24th March 1941, and payment in respect of the documents handed in after the 10th March 1941 will be made two weeks after delivery. Payment will be made to the owner or to the Bank or approved Broker duly authorised by him in this behalf. Allowance has been made in the price fixed for each security in the Vesting Order for the period that must elapse between the date of the Vesting Order and the first due date of payment. This price represents capital payment and is not subject to income-tax. All transactions will be put through at the standard rate of 1/6d. per rupee. Rupee counterpart loans will be issued in multiples of Rs.100/-, being the rupee equivalent of £7-10-0 face value of the surrendered loans, any excess over this multiple being adjusted in cash.

5. Counter-part loans will earn interest from the last -- interest payment date of the surrendered loans and no adjustment on account of interest will be necessary in the case of securities surrendered against rupee counterparts. Interest earned on counterpart loans will be subject to Indian Income-tax in the usual manner.

6. Brokerage will be paid by the Reserve Bank of India to Banks and Brokers in India who lodge documents with the Reserve Bank of India, irrespective of where the securities are deposited, at the rate of 1/8% of the nominal value of the securities -- delivered in good order converted at 18 pence to the rupee. No commission will be charged by the Reserve Bank on the issue of rupee counterpart loans or the cash payment in rupees in exchange for the securities acquired.

7. Any further information that holders of the vested securities may require may be obtained from the Bombay or -- Calcutta Office of the Reserve Bank.

BSN/11.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat.

No. Ref 1593 Eds

Bangalore, Dated 10 March 1941.

FROM

The *Secretary to the Government of His Highness the Maharaja of Mysore.*
Law Department.

To

The Secretary to the Hon'ble the Resident in Mysore,
Bangalore.

Subject:- STERLING DEBTS.

Sir,

With reference to your letter No.R.F.48-41/G & A., dated 20th February 1941 on the above subject, I am directed to state that notifications similar to those issued by the Government of India have been issued here and to forward, as requested, copies of the said notifications.

I have the honour to be,

Sir,

Your most obedient servant,

10/3

for Secretary to Government,
Law Department.

Ref 1593 Cl, dt 10.3.41

To

The Secretary to the Hon'ble the
Resident in Mysore.

Subject.- Sterling Debts.

Sir,

With reference to your letter No. R.F. 48-41/G & A., dated 20th February 1941 on the above subject, I am directed to state that notifications similar to those issued by the Government of India have been issued here and to forward, as requested, copies of the said notifications.

I have etc.,

9.3.41

Secy. to Govt.
Law Department